

**REMARKS/ARGUMENTS**

The Applicants respectfully request further examination and consideration in view of the arguments set forth fully below. Claims 1-4, 6-10, 12, 13, 15-21, 23, 27-30, 34-36, 40, 41, and 43-51 are pending in this application. Claims 1-4, 6-10, 12, 13, 15-21, 23, 27-30, 34-36, 40, 41, and 43-51 stand rejected under 35 U.S.C. 103(a). Accordingly, claims 1-4, 6-10, 12, 13, 15-21, 23, 27-30, 34-36, 40, 41, and 43-51 are currently pending in this application.

**CLAIM REJECTIONS UNDER 35 U.S.C. §103(a)**

Within the Office Action, claims 1-4, 6-10, 12, 13, 15-21, 23, 27-30, 34-36, 40, 41, and 43-51 are rejected under § 103(a) as being unpatentable over the article titled “recommend-it.com” (hereinafter “recommend-it”) in view of “How MileNet Works” (hereinafter “MileNet”). The Applicants respectfully traverse this rejection.

Recommend-it teaches a service whereby a first user can recommend a website to a second user. The recommendation comes in the form of an email sent by the recommend-it service to the second user. To initiate the recommendation, the first user completes a form provided by the recommend-it service. The recommendation form includes an option for the first user to receive a promotional newsletter. Although this option is presented on the same form that the first user fills out to recommend the website, the promotional newsletter is not an actual reward for making the recommendation because the promotional newsletter can be received regardless of whether the first user makes the recommendation. Specifically, recommend-it teaches on page 1, lines 10-12 that the promotional newsletter is available for free and that the newsletter can be obtained independent of the recommendation, as indicated by the “Sign up Today!” link on page 1, lines 11-12. Therefore, inclusion of the option to receive the promotional newsletter within the recommendation form is merely a cross-marketing opportunity. Recommending the website and receiving the newsletter are mutually

exclusive. Accordingly, recommend-it does not teach offering a reward in exchange for a recommendation. This is acknowledged by the Examiner in the Response to Arguments section

5 MileNet is cited for offering a reward in exchange for a recommendation. The Examiner states that MileNet teaches a pyramid type of incentive wherein the first user increases their MileNet points based on friends and family installing and using MileNet. The Examiner acknowledges that “[t]he combination of recommend-it and MileNet do not teach purchasing the marketable entity.” Yet, the Examiner contends that it would have been obvious in the combination of recommend-it and MileNet for the first user to have bought the item and then to recommend it to a second person. However, “installing and using” a service is not the same as purchasing the service.

10 A recommendation for a product or service that was not purchased, for example a service that is installed and used for free as in MileNet, is based on a time expense, that is the amount of time spent by the user that installed and used the service. In contrast, a recommendation for a product or service that was purchased is based on a financial expense. A time expense and a financial expense are viewed and valued quite differently. There are at least two advantages of combining a referral system with  
15 purchase transactions. The first advantage is the credibility associated with a purchase. A recommendation from an individual that actually made a purchase or transaction for a good or service is likely to carry more weight and credibility than one coming from someone who did not purchase the good or service trying to encourage others to purchase the good or service. A second advantage to limiting the referral system to purchasers is to avoid the debasing of the referral system through  
20 spamming. If the capacity to disburse referrals were given freely to non-purchasers, the referral system could be inundated by professional referrers who spend their days accessing web sites and spamming out as many referrals as possible to e-mail address lists. Such spamming would both erode the good will associated with a personal referral, and debase the value of each referral.

Since a purchase-based referral system provides different features and benefits than a non-

purchase-based referral system, it is not obvious to transform a non-purchase-based referral system to a purchase-based referral system by simply buying the item and then recommending it, as suggested by the Examiner. As such, the Applicant requests that the Examiner cite specific reference to support this position.

5           The claimed limitations are further differentiated from the combination of recommend-it and MileNet in that the claimed limitations include offering a reward to the first party in exchange for a recommendation of a marketable entity, where the recommendation results in a purchase transaction. The Examiner states that MileNet teaches the limitation “offering a reward in exchange for a recommendation.” However, this is not the same as the claimed limitation because MileNet does not  
10       teach that the recommendation results in a purchase transaction. MileNet teaches that the reward (additional miles) is provided if the referred party installs and uses the MileNet service. There is no hint, teaching, or suggestion within MileNet of a purchase transaction. Further, for at least the reasons stated above, a purchase transaction is not the same as a non-purchase transaction, such as “installing and using” as taught by MileNet.

15           In summary, the combination of recommend-it and MileNet do not teach transacting a purchase for a marketable entity. The combination of recommend-it and MileNet also do not teach offering a reward to a first party in exchange for a recommendation of a marketable entity, where the recommendation results in a purchase transaction.

20           The independent claim 46 includes the limitations “transacting a purchase for a first marketable entity by a first party, offering a reward to the first party in exchange for a recommendation of a second marketable entity substantially similar to the first marketable entity to a second party wherein the recommendation results in a purchase transaction, and forwarding an e-mail to a second party, the e-mail comprising the recommendation for the second marketable entity by the first party, an e-mail address of the first party, and a URL link to a Web site having an offer to transact a purchase for the

second marketable entity, wherein the first marketable entity and the second marketable entity are selected from a group consisting of goods and services.” (Emphasis added) As described above, the combination of recommend-it and MileNet do not teach transacting a purchase for a marketable entity. The combination of recommend-it and MileNet also do not teach offering a reward to a first party in exchange for a recommendation of a marketable entity, where the recommendation results in a purchase transaction. As such, the independent claim 46 is allowable over recommend-it in view of MilesNet.

Claims 47-49 depend from the independent claim 46. As discussed above, the amended independent claim 46 is allowable over recommend-it in view of MilesNet. As such, the dependent claims 47-49 are also allowable as being dependent on an allowable base claim.

The independent claim 1 is directed to a method of marketing comprising the steps of: a.) offering a reward to a first party in exchange for a recommendation of a marketable entity, the recommendation comprising a forwarding of a first e-mail message to a second party, the first e-mail message comprising a personalized referral for the marketable entity and a first set of data, the first set of data comprising a first serial number and a first URL link to a first Web site having an offer to transact an exchange for the marketable entity; b.) correlating the first set of data in the first e-mail message to data within a database, the data within the database comprising data relating to the reward offered to the first party; c.) updating the database with an e-mail address of a second party provided by the first party; d.) forwarding the first e-mail message to the e-mail address of the second party, wherein the marketable entity is selected from a group consisting of goods and services; and e.) providing the reward to the first party if the second party transacts the exchange for the marketable entity.

There is no hint, teaching, or suggestion that the recommendation service of recommend-it

includes any offer to transact an exchange, as claimed. The Examiner cites page 2 of recommend-it and states that the first user of recommend-it will send an e-mail to a friend or colleague detailing the site and would include a short description identifying the website, a link to the website and a personal annotation. However, there is no mention of an offer to transact an exchange for a marketable entity, where this offer is included in the actual recommendation. The Examiner states that the recommendation at receoomend-it is in the form of an email sent to the second user detailing the software called WebDeck. The recommendation specifically states "thought that you would be interested in 'WebDeck Software', a websote located at <<http://www.webdeck.com/>>." However, the recommendation itself does not include an offer to transact an exchange for a marketable entity. As such, recommend-it does not teach a recommendation that includes an offer to transact an exchange where the offer is included within the recommendation itself, as claimed. For at least this reason, the independent claim 1 is allowable over recommend-it in view of MileNet.

Claims 2-4, 6-10, 12-13, 15-21, 23, 27-30, 34-36, 40-41, and 43-45 depend from independent claim 1. As discussed above, claim 1 is allowable over recommend-it in view of MilesNet. As such, the dependent claims 2-4, 6-10, 12-13, 15-21, 23, 27-30, 34-36, 40-41, and 43-45 are also allowable as being dependent on an allowable base claim.

Similarly, independent claim 50 is allowable over recommend-it in view of MilesNet for at least the same reasons as described above in regard to claim 1. Claim 51 depends from the independent claim 50. As such, claim 51 is allowable as being dependent upon an allowable base claim.

Within the Office Action, claims 6, 17-18, 20-23, 28-29, and 36 are rejected under § 103(a) as being obvious over recommend-it. In regard to claims 6, 17-18, and 20, Official Notice is taken that it is old and well known in the computer related field to have a token in the form of an icon that is visible in the message in order to represent a function, object, or program, and that it would have been

obvious to a person of ordinary skill in the art to have included a token in the form of a first icon visible in the message in order to make file navigation and manipulation easier. In regard to claims 21-23, 28-29, and 36, Official Notice is taken that it is old and well known in the business related arts to credit an account because such a modification would provide an easy and efficient way to reward a customer, and that is would have been obvious to a person of ordinary skill in the art to have included crediting an account within a database and recording the reward credited in order to obtain the above mentioned advantage. The Applicants respectfully traverse the USPTO's Official Notice used for rejecting claims 6, 17-18, 20-23, 28-29, and 36.

Specifically, claim 6 is directed to "the first e-mail message is configured to comprise a token in the form of a first icon, and the method further comprises the steps of a.) submitting the token to a field within the first Web site, and b.) retrieving a new token from the first Web site, the new token defined according to updated data within the database." The Examiner's Official Notice is not related to this limitation. Similar comments can be made in regard to claim 18, 20, 28, and 29.

Applicants request for evidence, including standard references and prior art references, upon which the USPTO rely to support the taking of said Official Notices in regard to claims 18, 20, 28, and 29. Applicants respectfully request that the data be stated as specifically as possible, pursuant to MPEP §2144.03.

**CONCLUSION**

In view of the foregoing, Applicants believe all claims now pending in this application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested. If the Examiner believes that a telephone conference would expedite prosecution of this application, the Examiner is encouraged to contact the undersigned at (408) 530-9700.

Respectfully submitted,

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**CERTIFICATE OF MAILING (37 CFR § 1.8(a))**

I hereby certify that this paper (along with any referred to as being attached or enclosed) is being deposited with the U.S. Postal Service on the date shown below with sufficient postage as first class mail in an envelope addressed to the: Commissioner for Patents, P.O. Box 1450 Alexandria, VA 22313-1450

HAVERSTOCK & OWENS LLP.

Date: 9/4/07 By: m. Freeman